

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

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In re:	:	CASE NO. 11-05736-TBB-9
	:	
JEFFERSON COUNTY, ALABAMA	:	
	:	CHAPTER 9
Debtor.	:	
	:	
-----X	X	

**EXPEDITED MOTION FOR LEAVE TO FILE JOINDER OF CERTAIN LIQUIDITY BANKS IN SUPPORT OF
THE (1) MOTION OF THE JEFFERSON COUNTY SEWER SYSTEM RECEIVER FOR (A) A DETERMINATION
THAT THE RECEIVER SHALL CONTINUE TO OPERATE AND ADMINISTER THE SEWER SYSTEM
PURSUANT TO THE RECEIVER ORDER OR (B) FOR RELIEF FROM THE AUTOMATIC STAY OR OTHER
APPROPRIATE RELIEF AND (2) THE MOTION OF INDENTURE TRUSTEE FOR JEFFERSON COUNTY’S
SEWER WARRANTS FOR (A) THE COURT TO ABSTAIN FROM TAKING ANY ACTION TO INTERFERE WITH
THE RECEIVERSHIP CASE AND THE RECEIVER’S OPERATION AND ADMINISTRATION OF SEWER
SYSTEM IN ACCORDANCE WITH THE RECEIVERSHIP ORDER, OR (B) FOR RELIEF FROM THE
AUTOMATIC STAY TO THE EXTENT NECESSARY TO ALLOW RECEIVER TO CONTINUE TO OPERATE
AND ADMINISTER THE SEWER SYSTEM UNDER THE RECEIVERSHIP ORDER, AND
(C) REQUEST FOR EXPEDITED HEARING**

Bank of Nova Scotia, Société Générale, New York Branch, State Street Bank and Trust Company, Lloyds TSB Bank plc, Regions Bank and The Bank of New York Mellon, each a Liquidity Bank and the beneficial holder of the Parity Securities¹ (collectively, the “Liquidity Banks”), by and through their undersigned counsel, request (a) leave of this Court (this “Motion for Leave”) to file the Joinder of Certain Liquidity Banks in Support of (the “Joinder”) the (I) Motion of the Jefferson County Sewer System Receiver for (A) a Determination that the Receiver Shall Continue to Operate and Administer the Sewer System Pursuant to the Receiver Order or (B) for Relief from Automatic Stay or Other Appropriate Relief (the “Receiver’s Motion”), and (II) Expedited Motion of Indenture Trustee for Jefferson County’s Sewer Warrants for (A) the Court to Abstain From Taking any Action to Interfere with the Receivership Case and the Receiver’s Operation and Administration of Sewer System in Accordance with the Receivership Order, or (B) for Relief from the Automatic Stay to the Extent

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Receiver’s Motion and the Trustee’s Motion as defined herein unless a different meaning is clear from the context.

Necessary to Allow Receiver to Continue to Operate and Administer the Sewer System under the Receivership Order (the “Trustee’s Motion”), and (b) expedited determination of this Motion for Leave. The Trustee’s Motion and the Receiver’s Motion are scheduled to be heard by this Court on November 21 and 22, 2011 (the “Hearing”). The Liquidity Banks request this Motion for Leave be heard on an expedited basis at the Hearing so the Joinder may be considered at the Hearing. A copy of the Joinder is attached hereto as Exhibit A and incorporated herein. In support of its Motion for Leave, the Liquidity Banks respectfully state as follows:

1. The Liquidity Banks are significant creditors of the County. Combined they are beneficial holders of a total of approximately \$390,250,000 in principal amount of the County’s sewer warrants. Each of them is listed as a “Material Holder of the County’s Non-recourse Sewer Warrants” in the Order Establishing Notice, Service and Case Management Procedures pursuant to 11 U.S.C. §§102(1)(A) and 105(a) and Bankruptcy Rule 2002(m).

2. By order dated November 11, 2001, the Court established a hearing and briefing schedule for the Expedited Motions. That order was promulgated pursuant to a status conference held at 5:00 p.m. (CT) the evening before, November 10, 2011. Notice of that status conference did not appear on the docket until approximately 4:32 p.m. (CT) and did not provide a mechanism for telephonic attendance. On information and belief, certain of the bond insurers counsel were able to attend as they were made aware of the status conference contemporaneously with a conversation with the Receiver’s counsel and telephonic arrangements were made for them to attend.

3. As significant creditors in this Chapter 9 case, the Liquidity Banks are parties in interest and have standing to appear and present briefs to the Court concerning issues of significance to the Liquidity Banks that are unique and independent from the issues raised by the Receiver and Indenture Trustee. *See* Bankruptcy Code § 1109(b) (“[a] party in interest . . . may raise and may appear and be heard on any issue in a case under this chapter”). Bankruptcy Code section 1109 is made applicable in Chapter 9 cases pursuant to Bankruptcy Code section 901. *See e.g., In re O’Dell*, 268 B.R. 607, 616 (N.D. Ala. 2001) (recognizing a party in interest may be established through a pecuniary interest in the matter) (citations omitted).

4. The Liquidity Banks believe they have significant issues to call to the Court's attention that are not duplicative of and are in addition to the arguments made in the Receiver's Motion and Trustee's Motion.

WHEREFORE, the Liquidity Banks respectfully requests that the Court enter an order:

- A. Granting expedited determination of this Motion for Leave;
- B. Scheduling a hearing on the Motion for Leave for November 21, 2011;
- C. Granting leave to file the Joinder; and
- D. Granting such other relief as the Court deems just and proper.

Respectfully submitted on this the 16th day of November, 2011.

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YORK BRANCH, STATE STREET BANK AND TRUST
COMPANY, LLOYDS TSB BANK PLC AND THE BANK
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